



UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF THE DEPUTY SECRETARY

August 26, 2011

The Honorable Brian Schweitzer  
Office of the Governor  
PO Box 20801  
Helena, MT 59620-0801

Dear Governor Schweitzer:

During the week of December 13, 2010, staff from the State Fiscal Stabilization Fund (SFSF) program from the U.S. Department of Education conducted the first of two monitoring reviews of your State's implementation of the SFSF program. Your State's SFSF contacts were extremely helpful in coordinating and responding to this desk review.

During the monitoring review, we discussed your State's policies, procedures, and activities related to the SFSF program. We spoke with officials at local educational agencies (LEAs) and public institutions of higher education (IHEs) that have received Education Stabilization Fund grants, as well as with representatives of entities that have received Government Services Fund grants. A complete description of the scope of the monitoring review and the SFSF monitoring protocols are available on the Department's website at <http://www.ed.gov/programs/statestabilization/applicant>.

The Department found that the State implemented the program expeditiously and effectively in order to meet the financial needs of LEAs, IHEs, and other State agencies. This report demonstrates Montana's commitment to ensuring that the funds were spent quickly, while balancing the need for accountability and transparency.

The Department identified one isolated issue regarding the State's implementation of the program. Specifically, the Department found that in one instance a sub-recipient received funds prior to incurring expenditures, deposited it in an interest-bearing account, and accrued interest. Since Montana has already taken the necessary corrective actions to resolve this issue and enhanced their policies and procedures to include additional checks, no further action is necessary.

The Department is grateful for the cooperation and responsiveness of the staff in Montana. Monitoring not only helps States to achieve high-quality implementation but also helps the Department to improve its role as an advisor and partner with States in this effort. As we work together, we want this process to be interactive and helpful.

<http://www.ed.gov>

400 MARYLAND AVE., SW, WASHINGTON, DC 20202

*The Department of Education's mission is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access.*

We will be contacting your office in the future to schedule a second monitoring review of the State's implementation of the SFSF program. We look forward to collaborating with you and the other officials in Montana who are working on this critical educational initiative.

Sincerely,

//s//

Ann Whalen  
Director, Policy and Program Implementation  
Implementation and Support Unit

cc: Shawn Graham